Performance-Based Bonus Program Overview

Army DCIPS

DCIPS
DEFENSE CIVILIAN INTELLIGENCE PERSONNEL SYSTEM

Updated July 29, 2013

Purpose

The purpose of this brief is to provide Bonus Group Managers with a detailed understanding of the Process and the Tools associated with the Army DCIPS Performance-Based Bonus (PBB) Program

Performance-Based Bonus Timeline

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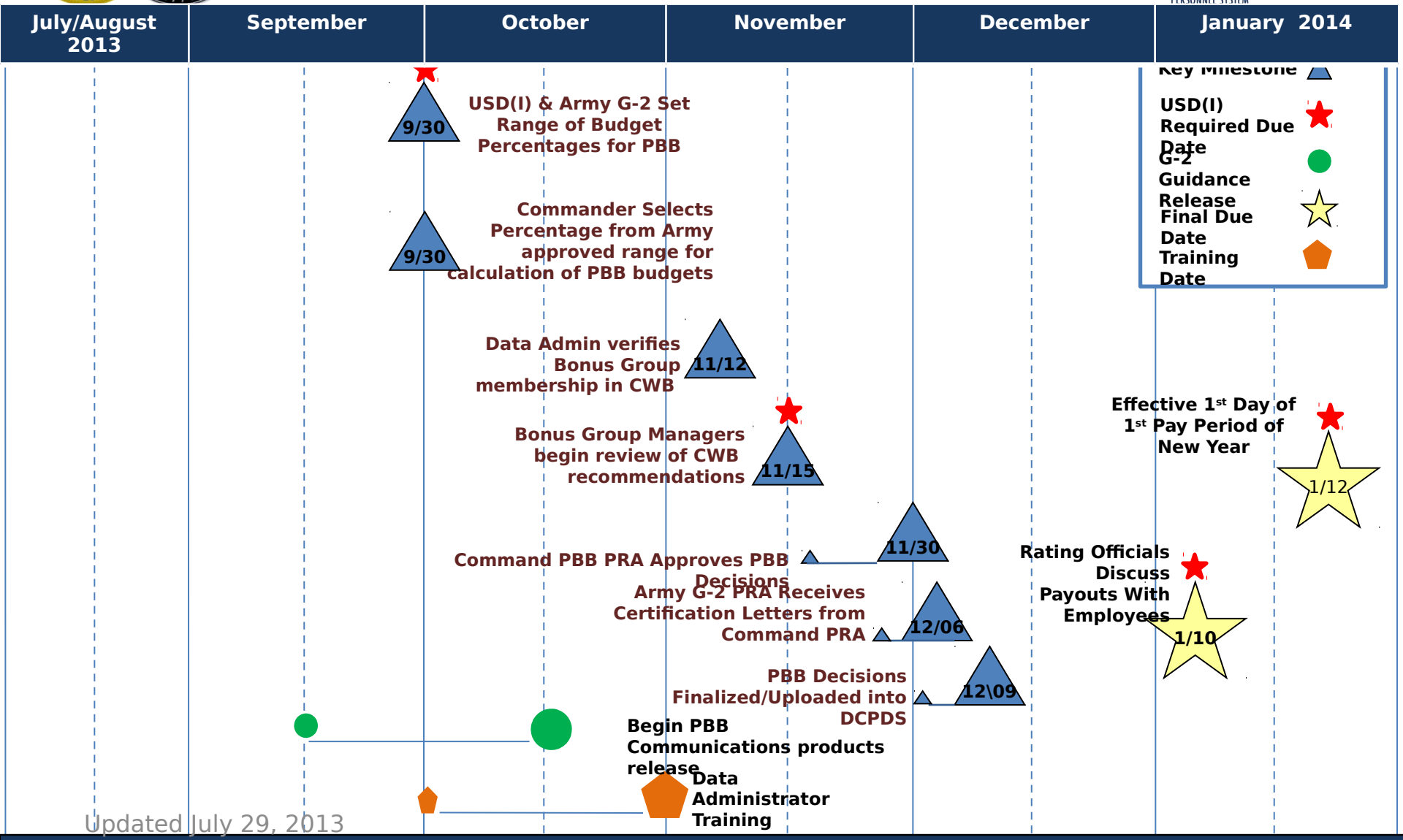

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Systems and Tools Used in PBB Process

- Performance Appraisal Application (PAA)

  The PAA is a Department of Defense (DoD) wide tool used to manage performance under DCIPS

- Defense Civilian Personnel Data System (DCPDS)

  The DCPDS is a human resources information support system for civilian personnel operations in the DoD

- Compensation Work Bench (CWB)

  CWB is a tool used by DCIPS organizations to facilitate the bonus process. It is a spreadsheet that contains all the functionality needed to conduct an effective bonus program

- DCIPS Payout Analysis Tool (DPAT)

  The DPAT is a tool that combines multiple CWB spreadsheets, CWB export, and/or CWB import files and

DCIPS PBB Program

DCIPS PBB is an annual performance-based rewards program linking employee performance to rewards and bonuses—with the greatest rewards going to those who make the greatest contributions.

Ratings are based on:

Impact to Organizational mission

Individual accomplishments via performance objectives

Performance-based payouts:

Acknowledge significant contributions to mission

Distribute larger payouts to higher performers

The Army will conduct the Bonus Groups deliberations in November covering the performance period from

Types of Performance-Based Bonuses

- **Bonus:**
  A performance-based monetary award generally distributed annually at the beginning of the New Year based upon performance from the previous performance cycle which ended on 30 September. The purpose of a bonus is to provide meaningful reward for highest levels of performance and/or work accomplishments within the context of the employee's work level.

- **DCIPS Quality Increase (DQI):**
  A DQI is considered a performance-based award and provides a salary increase equal to the value of one GG step increase at the employee's grade level. DQIs may be awarded to an employee whose performance evaluation of record identify them as top performers for the current rating period by being in a percentage of top ratings for the Command. ACOMs, DRUs, ASCCs, and the AASA have the option to select a percentage from 1% - 10%.

- **DCIPS Sustained Quality Increase (DCIPS SQI):**
  A DCIPS SQI provides the highest base-pay increase monetary award available to employees of under the DCIPS graded structure. The DCIPS SQI is a sustained performance award reserved to recognize truly exemplary sustained performance. The award consists of a base-pay increase monetary award in the form of an increase in an employee's pay of two steps at their current grade. Commander's of the ACOMs, DRUs, ASCCs, and the AASA may choose from employees whose performance evaluations of record identify them as top performers by being in a percentage of top scores for the Command, which shall not exceed 10 percent for a base-pay increase monetary award for 3 consecutive years, the current and two preceding performance evaluation cycles. Employees to be awarded an SQI must have been under the DCIPS Performance Management system and in the same DCIPS grade for the last 3 years. An employee may not receive more than one SQI during any 3-year period.

Eligibility for PBBs

- Employees eligible for bonuses must meet or exceed a “successful” rating of at least 2.6
- Per USD(I) requirement, bonus distribution is not to exceed 50% of the eligible population per Bonus Group
- Starting in FY14, those eligible for DQIs/SQIs must be in a percentage of top scores within their bonus groups NTE 10%
  - DQIs/SQIs do not count towards the NTE 50% limit of bonuses
- Employees rated as unacceptable or minimally successful are not eligible for a PBB

- *Note: A PBB can be either a bonus payout , **OR** a DQI/SQI but not*

PBB Program Command Preparation Steps

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Assign Data Administrators

Create Bonus Groups

Designate Bonus Group Managers/Bonus Boards

Establish Business Rules

Establish PBB Budget

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Bonus Groups

- Bonus Groups are employees who work in an Army organization and share bonus group funding for PBB payouts
- Bonus Groups may be organized as follows:
  - Division, directorate, organizational structure and geographic distribution
  - Number of employees, occupations, work levels, and work categories
  - Chain of Command

Note: Employees can only have one Bonus Group assignment.

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Bonus Group Managers

- An individual typically in the chain of command for employees assigned to a Bonus Group, responsible for conducting the annual PBB decision-making process
- The Bonus Group Manager administers the PBB process and makes PBB recommendations to the Command PBB PRA
- Organizations may also choose to establish Bonus Boards to review PBB recommendations but are still required to have a Bonus Group Manager

Other PBB Key Players

Role	Responsibility
Bonus Board Members	▪ Group of managers who share chain-of-command responsibility for employees assigned to a Bonus Group ▪ Participates in the annual PBB decision-making process for bonuses and DQIs/SQIs under the leadership of a Bonus Group Manager
Commander/ Performance Review Authority (PRA)	▪ Designates Bonus Group Managers and/or Bonus Board members in writing ▪ Approves PBB recommendations ▪ Delegates the authority to approve PBBs in writing no lower than MSC Commanders (Colonel - 06 and above, or civilian equivalent)

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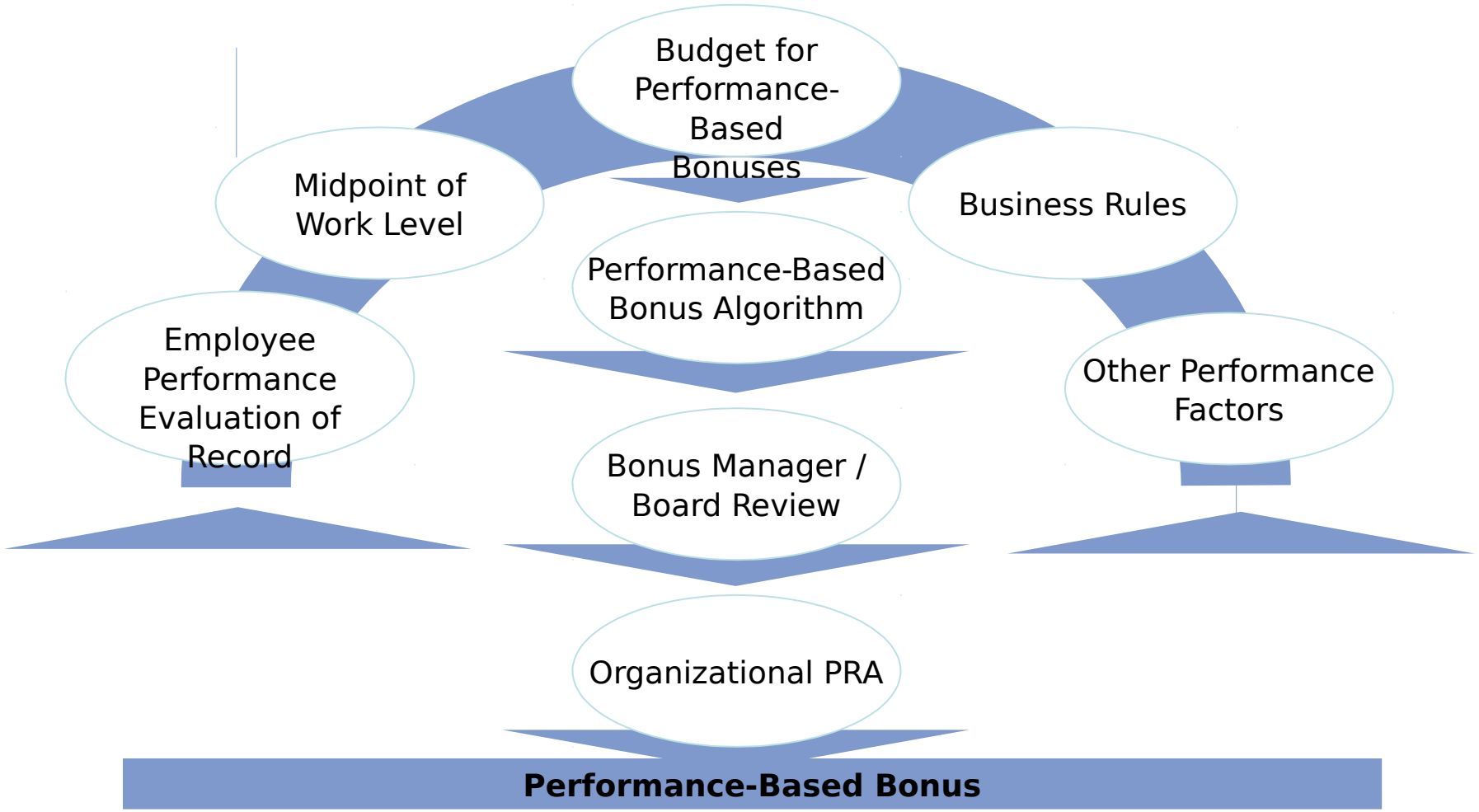
Performance-Based Bonus Program Inputs



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Determining the Bonus Group Budget

Example:

50 employee base salaries in one Bonus Group total $3.5 million

Command selects bonus budget percentage of 1.8

1.8% x $3.5million= $63,000

Bonus Budget = $63,000 *for that bonus group*

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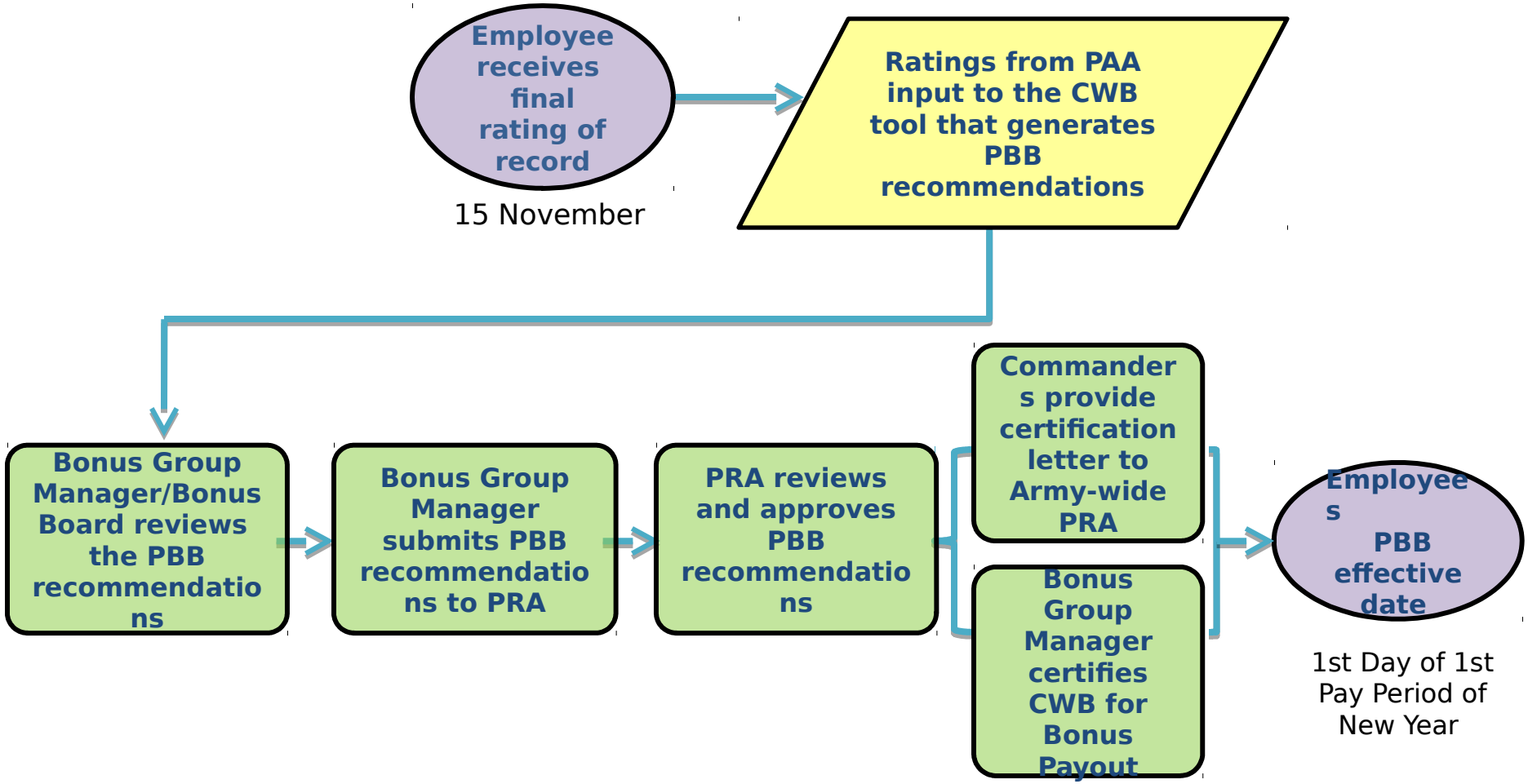
Performance-Based Bonus Process



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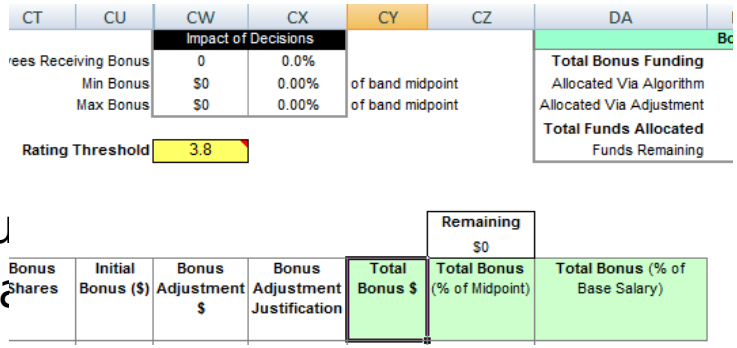
Bonus Group Manager reviews the PBB recommendations

- Bonus Group Managers receive a CWB populated with employee final ratings:
- The CWB calculates a *preliminary* PBB recommendation for each eligible employee. The information for this recommendation is based on:
  - Employee performance ratings
  - Midpoint of each work level
  - Number of employees in Bonus Grou
  - Available budget within each Comma



- In most cases, Bonus Group Managers will accept the bonus recommendation as is
  - However, adjustments to the PBB recommendations may be made according to PBB Business Rules and Command specific business rules

PBB Business Rules

- Business rules:
  - Provide standard guidance for the review of PBBs by Bonus Group Managers across the Army
  - Identify considerations that may require adjustments to the preliminary bonus recommendations
  - Allow Commands to develop specific rules for conducting the PBB review

Business Rules Considerations

- Guidance on how to conduct bonus group meetings
- Receipt of other performance-based considerations (e.g., On-The-Spot Awards, Special Act Awards)
- Recent hire or promotion

DQI Decisions

Bonus Group Managers also review employees for DQI eligibility (top performer by being in a percentage of top scores within their bonus groups, which shall not exceed 10 percent)

- If an employee receives DQI, he or she will not receive a bonus

Not all eligible employees receive DQIs: Budgetary Limits or Retained Pay status will affect the assignment of DQIs

- If a Bonus Group Manager/Bonus Board chooses to award a DQI, the Data Administrator will make adjustments to the CWB. The processing is done within the CWB and manual RPAs are not required.

DCIPS SQI Decisions

Bonus Group Managers also review employees for a DCIPS SQI eligibility (eligible for consideration for a base-pay increase monetary award for 3 consecutive years, the current and two preceding performance evaluation cycles. Refer to Army DCIPS Annual Bonus and Awards Guidance for eligibility criteria when determining sustained performance for current and 2 previous years.

- If an employee receives SQI, he or she will not receive a bonus

Not all eligible employees receive SQIs: Budgetary Limits or Retained Pay status will affect the assignment of DQIs

- If a Bonus Group Manager/Bonus Board chooses to award a SQI, the Data Administrator will make adjustments to the CWB. The

Bonus Group Manager submits PBB recommendations

- Bonus Group Managers will submit the CWB for approval:
  - Once all PBB recommendations have been made, the Bonus Group Manager submits to their Command PRA
  - In cases where the Bonus Group Manager also serves as the Approving Official (Command PRA) he or she will approve the CWB

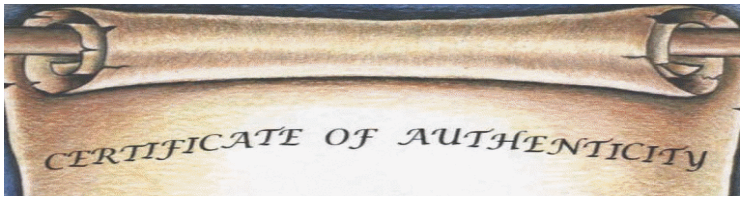
Approval of Bonus decisions should occur in late November to allow for DCPDS processing and effective the 1st day of the 1st pay period of the New Year

PRA reviews and approves PBB recommendations

- The Command/Organizational PRA reviews and approves bonus group recommendations
- If inconsistencies are found, the PRA returns the PBB recommendations to the Bonus Group Manager for adjustments

Certification of CWB for Bonus Payout

- Command PRAs provide a certification letter to the Army PRA
- Bonus Group Managers are notified that results are PRA approved
- Bonus Group Managers certify PBB results in the CWB



- Data administrators submit approved PBB decisions
- Supervisors may now communicate results of PBB decision
- PBB payouts are effective the first day or the first pay period of the New Year

PBB Program Overview

For more information on DCIPS, see the Army DCIPS website:
http://www.dami.army.pentagon.mil/site/dcips/

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Questions?

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End of Course Review

1. What is the DCIPS PBB Program?
   - A. An annual rewards program—with the greatest rewards going to experience and longevity.
   - ***B. An annual performance-based rewards program linking employee performance to individual accomplishments—with the greatest rewards going to those who make the greatest contributions.***
   - C. A semi-annual program relating employee performance to individual accomplishments.
   - D. A program that will give all employees rewards annually regardless of accomplishments.

2. T or F Performance-based payouts are the basis for Ratings

   False. Ratings are the basis for performance-based payouts because they acknowledge significant mission and Agency contributions and give larger payouts to higher performers

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End of Course Review

3. Which statements are true about employee eligibility for PBBs:
   A. Employees eligible for bonuses must meet or exceed a “successful” rating of at least 2.6.
   B. Those eligible for DQIs must have a rating of “in the percentage of top scores within their bonus groups, which shall not exceed 10%.”
   C. Employees rated as unacceptable or minimally successful are not eligible for a PBB.
   D. All of the above.

4. What steps are followed in preparing for the PBB program?
   A. Bonus Group Managers review and submit PBB recommendations, The PRA reviews and approves recommendations, Commanders provide certification letter to Army PRA.
   B. Assign Data Administrators, Create Bonus Groups, Designate Bonus Group Managers, Establish Business Rules and PBB Budget Designate Bonus Group Managers.
   C. Both A and B

End of Course Review

5. What are the responsibilities of a Bonus Program Manager?
   A. An individual typically in the chain of command for employees assigned to a Bonus Group, responsible for conducting the annual PBB decision-making process
   B. Administer the PBB process and make PBB recommendations to the PRA
   C. Both A and B.

6. T or F Bonus Groups are DCIPS employees who work in an Army organization and share funding for performance payouts

   True

7. T or F The CWB tool generates employee ratings

   False. Ratings from PAA feed the CWB tool that generates PBB recommendations

End of Course Review

8. Choose the correct answer to complete the following statement: Business Rules _____.
   A. Are a spreadsheet that contains all the functionality needed to conduct an effective bonus program
   B. Provide an annual performance-based rewards program linking employee performance to individual accomplishments
   C. Provide standard guidance for the review and adjustment of PBBs by Bonus Group Managers
   D. None of the above

9. What are the final steps in the PBB process?
   A. Commanders provide certification letter to Army-wide PRA
   B. Bonus Group Manager certifies CWB for Bonus Payout
   C. Both A and B
   D. Neither A nor B

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End of Course Review

10. T or F The Command/Organizational PRA reviews and approves bonus group recommendations and if inconsistencies are found, the PRA returns the PBB recommendations to the Bonus Group Manager.

True

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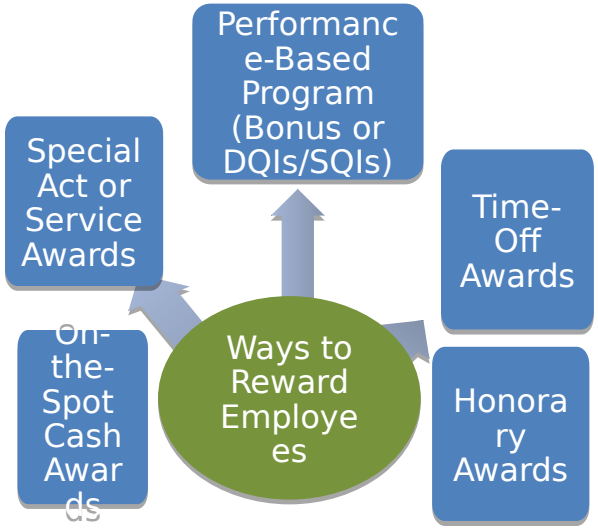
Back-up Slides

Ways to Reward Employees



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Monetary Awards

Special Act Awards:

Meritorious accomplishments achieved outside of normal job responsibilities up to $2,000.

- **On-the-Spot Cash Award (OTS)** – A smaller Special Act Award given by a supervisor for day-to-day employee accomplishments. Amounts for this award range from $50 to $500.

Time Off Award (TOA):

Up to 40 hours granted to an employee's single contribution with a maximum of 80 hours for the leave year awarded. A TOA may be used alone or in combination with monetary or honorary awards, but not in connection with or a substitute of a

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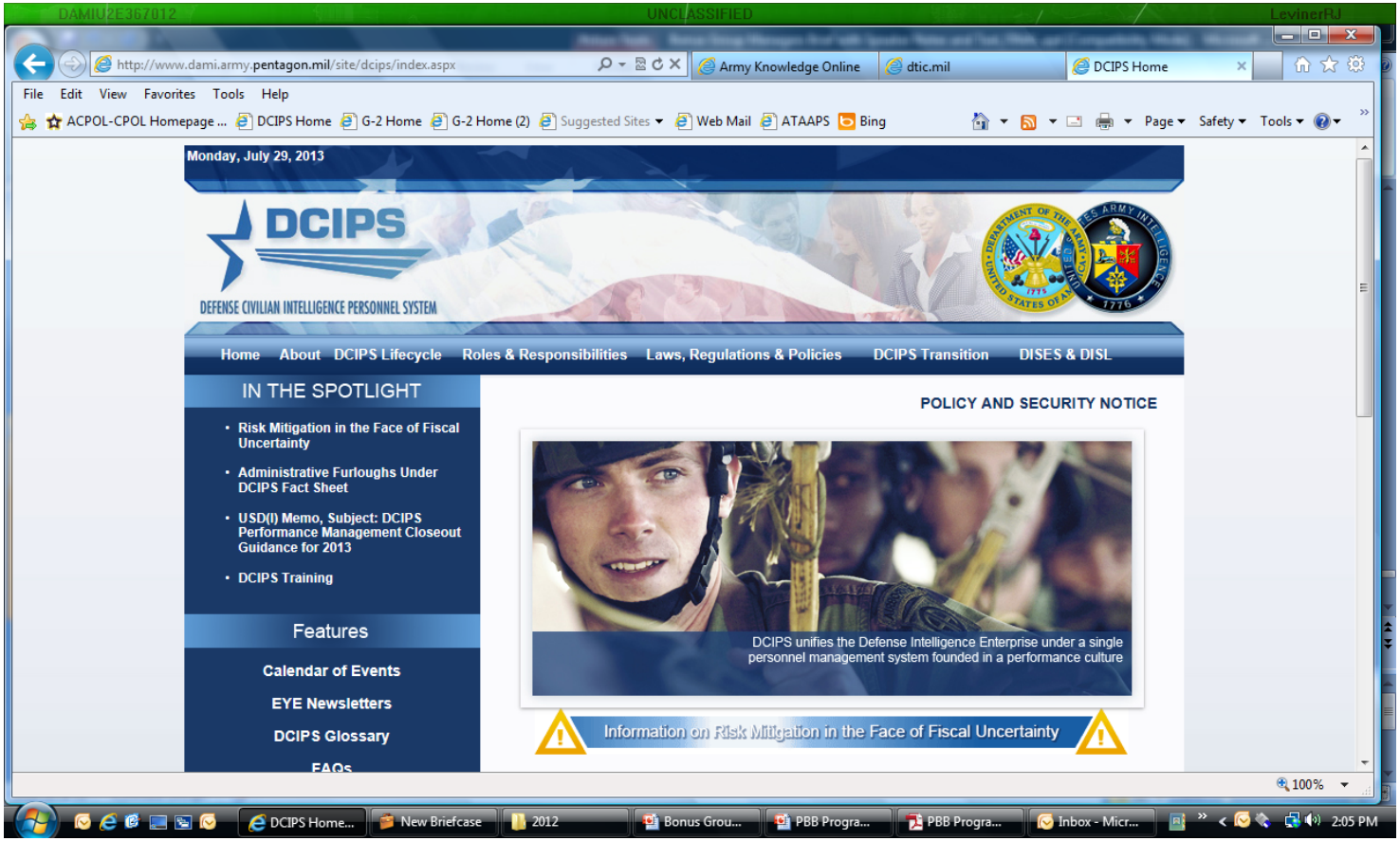

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